

Hong Kong Young Leaders Programme 2020

DIVERSIFYING HONG KONG'S ECONOMY AND CREATING YOUTH EMPLOYMENT OPPORTUNITIES

Executive Summary





BACKGROUND AND INTRODUCTION

As of August 2020, Hong Kong's unemployment rate had doubled year-on-year, from 2.9% to 6.1%. Youth unemployment has skyrocketed, with 11.4% of those aged 20-29 unemployed. The twin economic shocks resulting from social unrest in 2019 and the COVID-19 pandemic have affected the sectors that drive Hong Kong's economy. Labour-intensive service sectors, like retail, food and beverage, and hospitality, who employ much of Hong Kong's young population, have been disproportionately affected.

With a focus on four high potential sectors: Healthcare, Urban & Green Tech, Aviation and Biotechnology, the report proposes ways that Hong Kong can diversify its economy, with the goal of creating new job opportunities for future generations that provide gainful employment and allow them to achieve a decent quality of life.



THE VISION

*Hong Kong will be a **people-centric, economically vibrant and socially cohesive** city that allows the next generation to fulfill their aspirations and **live a purposeful life.***

The vision aims to provide an aspiration for Hong Kong society, serving as guiding principles to future policymaking and economic planning.

People-centric

A society committed to building a social contract rooted in reducing inequalities based on the principles of a **community that takes care of all and provides equal opportunities.**

Economically Vibrant

An economy backed by a modern education system that offers **diverse opportunities** for people of all backgrounds and builds a society that is **resilient** to potential future shocks.

Socially Cohesive

A community with **strong social fabric** across different demographics and backgrounds, united by the **same aspirations** to create a better society together.

Purposeful Life

A society that meets the **aspirations of the next generation** through ensuring access to meaningful work which adds value to society and improves the quality of life.

KEY FOCUS AREAS

Healthcare



Target 1: Increase the number of elderly caregivers by 30% by 2030.

Policy Recommendations:

Increase youth participation in the caregiving industry through new schemes such as the Care Agent Scheme and Neighborhood Service Scheme.

Target 2: Mobilise one million underprivileged Hong Kong residents to spend 10 hours on wellness activities per month by 2030.

Policy Recommendations:

Create a network of Community Wellness Clubhouses (CWC) funded by a public-private Trust and run by young people.

Target 3: Position Hong Kong as the premier cold storage hub of Asia.

Policy Recommendations:

Set up a cross-industry study to identify gaps, invest in cold chain related infrastructure, particularly in pharmaceuticals, and promote Hong Kong as a hub.

Care Agent Scheme



Urban & Green Tech



Target 1: Create an energy efficiency market to reduce energy consumption by 30% by 2030.

Policy Recommendations:

Expand the coverage of the energy audit system and impose a levy on building energy consumption, aided by introducing the Building Retrofitting Financing Scheme.

Target 2: Establish an ecosystem for green technology.

Policy Recommendations:

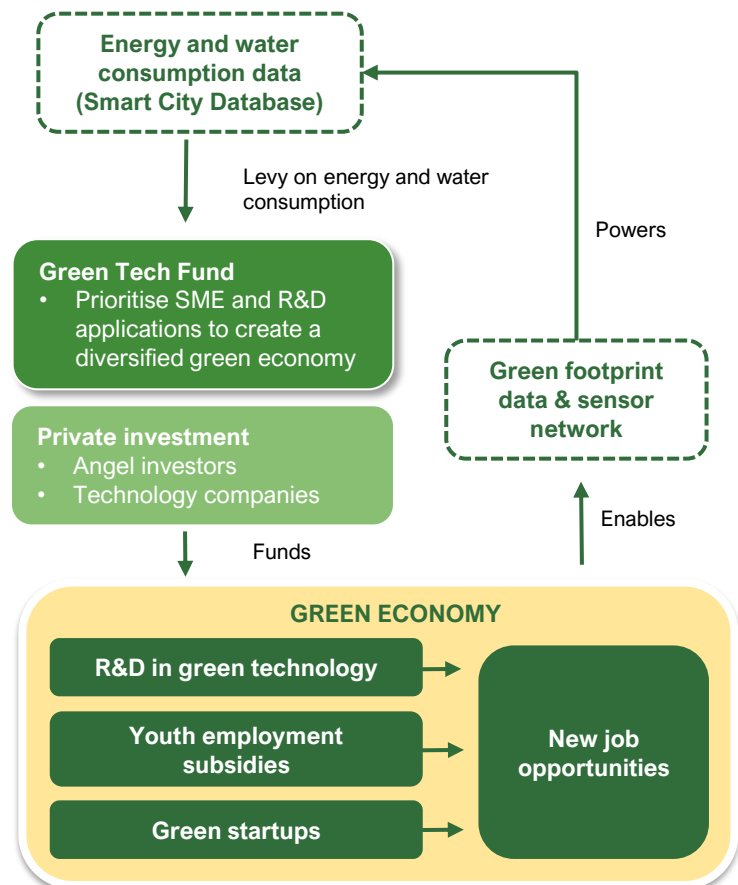
Transform the existing 'Green Tech Fund' into an integrated platform bridging private and public resources for a sustainable green economy. The fund will be funded by energy and water consumption levies and will invest in green businesses and related job creation.

Target 3: Develop the capacity of the local food industry to produce 10% of Hong Kong's food consumption by 2030.

Policy Recommendations:

Grow the local food production and consumption ecosystem through unlocking land supply, investing in infrastructure and R&D support to local agriculture, as well as cultivating demand for local produce.

Green Tech Fund



KEY FOCUS AREAS

Aviation



Target 1: Develop Hong Kong into a world-class destination for aviation education by 2030.

Policy Recommendations:

Create the International Aviation Institute and provide a comprehensive suite of aviation-related training to young people, as well as foster collaboration with industry partners.

Target 2: Increase proportion of MRO jobs in the Hong Kong aviation industry to 30% by 2030.

Policy Recommendations:

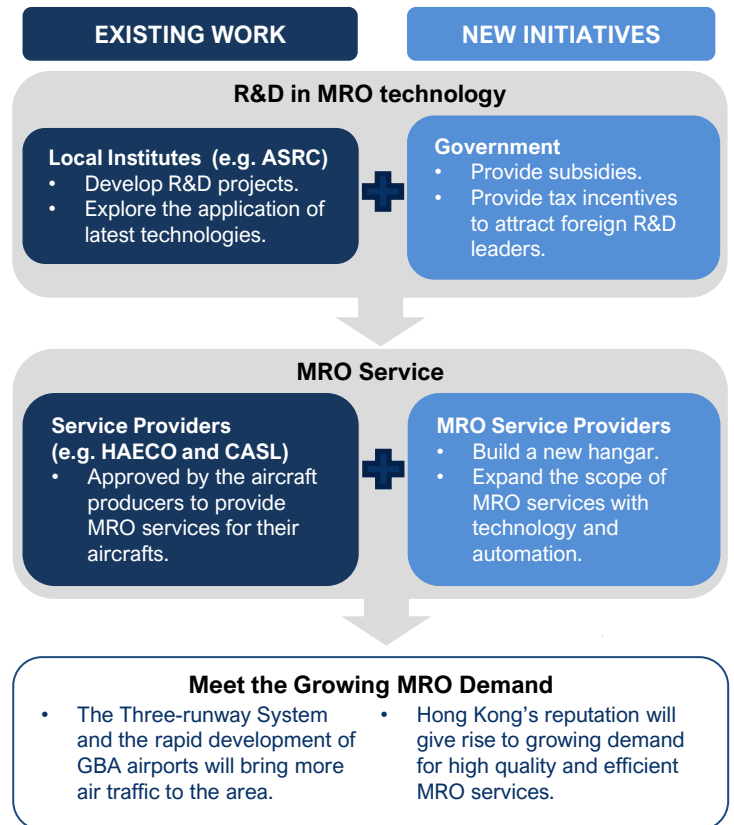
Build a new hangar, subsidise and expand cutting-edge R&D for MRO, and provide tax incentives to attract foreign investment to grow the MRO industry.

Target 3: Increase the proportion of overnight visitors (compared to same-day arrivals) from 43% to 60%.

Policy Recommendations:

Provide stopover travel packages to attract more visitors and turn same-day transit visitors into overnight visitors. This includes providing a 72-hour visa-free travel within GBA and creating the Youth Tour Guide programme to promote local tourism.

Growing the MRO Sector



Biotechnology



Target 1: Shape the institutional ecosystem to consolidate resources and promote growth of the biotech industry.

Policy Recommendations:

Build a Regional Biotech Centre that will create a vision and strategy for the industry's development. It should also play the role of coordinating existing resources, launching new applied research programmes and attract private sector investment in biotech-related R&D in Hong Kong.

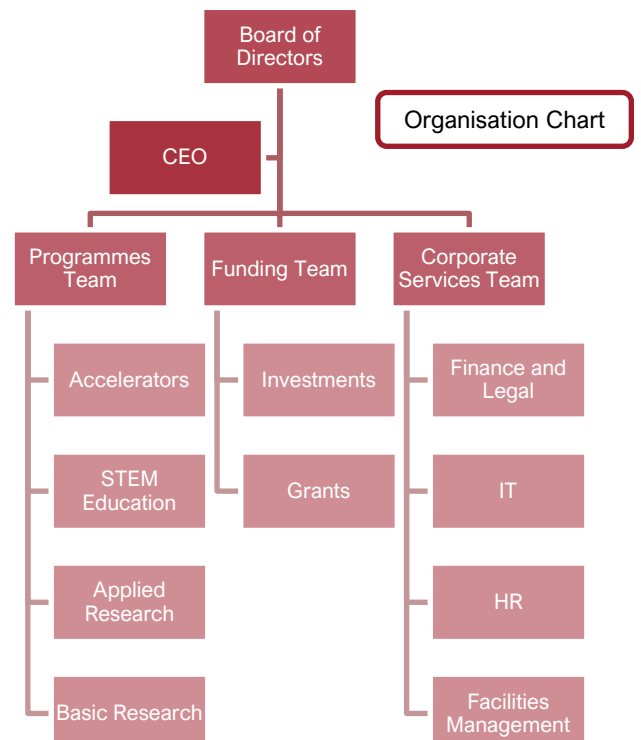
Target 2: Build a world-class brand of "Tested in Hong Kong, Certified in Hong Kong" .

Policy Recommendations:

Promote Hong Kong as a regional testing and certification centre by driving marketing demand for services through mandates and incentives, as well as encouraging development of new standards. The industry can also be further professionalised through creating applied science university degrees for Testing and Certification.

Regional Biotech Centre

The Regional Biotech Centre aims to coordinate existing funding resources, create research programmes and industry accelerators to foster growth of the biotech industry in Hong Kong.



SUMMARY OF IMPACT ON YOUTH EMPLOYMENT

Below is a summary of the estimated number and types of jobs created from the policy proposals combined under each key focus area, and the level at which the proposals will diversify the economy.

Healthcare



Estimated no. of jobs created: **31,000+**

Examples of types of jobs created:

- Elderly caregivers
- Handymen/women
- Social workers
- Nutritionists

Economic diversification scale:

Aviation



Estimated no. of jobs created: **38,500+**

Examples of types of jobs created:

- Aircraft mechanics
- Software developers
- Robotics researchers
- Local tour guides

Economic diversification scale:

Urban & Green Tech



Estimated no. of jobs created: **33,000+**

Examples of types of jobs created:

- Data analyst
- Technicians
- Urban farmers
- Food scientists

Economic diversification scale:

Biotechnology



Estimated no. of jobs created: **12,000+**

Examples of types of jobs created:

- Researchers
- Testing specialists
- Laboratory assistants
- Biotech investment specialists

Economic diversification scale:

A VISION FOR THE FUTURE

A new vision for the economy is needed to revitalise the city and offer a sense of direction for young people. While a vision may not provide immediate answers, it can serve as a guiding principle upon which future policies can align and aspire towards.

This report is intended for a broad audience of policymakers, corporate executives, entrepreneurs, investors, civil society players and members of the public to reference and draw inspiration from when considering strategies for Hong Kong's future.



The **Global Institute For Tomorrow (GIFT)** is an independent pan-Asian think tank providing content-rich and intellectually challenging executive education from an Asian worldview.

The **Young Leaders Programme (YLP)** is GIFT's experiential leadership programme designed for a tri-sector cohort of managers from government, leading companies and civil society to think critically about the drivers of change in the 21st century and develop new business models and innovations that address the defining challenges of our time.

During the this YLP, participants convened in Hong Kong over the course of 23- 28th November and 6-11th December 2020 to undertake classroom discussions, stakeholder meetings, and business planning sessions. The highlights from this proposal were presented at GIFT's first-ever virtual public forum on 11th December 2020, which was well-attended by over 280 attendees from Hong Kong and around the world.

GIFT would like to thank everyone involved who have put in their valuable time and efforts to make this possible.

You can download the full report [here](#).



Tomorrow Matters.

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